

VZCZCXRO0977
RR RUEHCN RUEHGH
DE RUEHIN #2056/01 1670533
ZNR UUUUU ZZH
R 160533Z JUN 06
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC 0704
INFO RUEHBJ/AMEMBASSY BEIJING 5319
RUEHKO/AMEMBASSY TOKYO 7776
RUEHGP/AMEMBASSY SINGAPORE 6488
RUEHUL/AMEMBASSY SEOUL 7885
RUEHGH/AMCONSUL SHANGHAI 0203
RUEHCN/AMCONSUL CHENGDU 1299
RUEHSH/AMCONSUL SHENYANG 5260
RUEHGZ/AMCONSUL GUANGZHOU 9386
RUEHHK/AMCONSUL HONG KONG 6530

UNCLAS SECTION 01 OF 04 TAIPEI 002056

SIPDIS

SIPDIS

DEPT FOR AIT/W, EAP/TC, INR/EAP, EAP/PD

FROM AIT KAOHSIUNG BRANCH OFFICE

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [SCUL](#) [TW](#)

SUBJECT: Southern Taiwan Youth Prepping for Global Business Environment

REF: Taipei 0660

¶1. Summary: In 2004, Taiwan's Ministry of Education included globalization as an important factor in the annual university performance evaluation program. Local universities have worked to comply by diversifying international exchange programs and re-engineering campuses into international learning environments. By beefing up English language training, student exchanges and intake of foreign exchange students, universities hope to increase student competitiveness in the global economy. However, according to recent polling data, a majority of Taiwanese college students think that they are less competitive than Chinese students, believing that their lack of foreign language skills, professional certificates and international experience will jeopardize their job opportunities as well as their competitiveness in the global business environment. Southern Taiwan universities and students are actively participating in enhanced opportunities to obtain international experience, despite serious concerns by academics that the effort and resources spent will not yield significant results.
End Summary.

STEP ONE: INCREASED ENGLISH LANGUAGE TRAINING

¶2. According to National Sun Yat-sen University (NSYSU) Professor Jason Huang, the Ministry of Education assesses a university's "globalization" ranking by the number of foreign students, foreign teachers, and hours of lectures being delivered in the English language. Huang pointed out that "mobility" of professors and students is very important to campus internationalization, noting that good English language skills facilitate "mobility". Huang also noted that lecturing in English or increasing the hours of English language instruction is the first step to campus internationalization.

¶3. In tune with this move toward globalization, National Taiwan University of Technology now provides 200 hours of English language classes for graduate school students free of charge during summer vacations. National Taiwan University Business Administration Institute Professor Lin Hsiu-wei noted that classroom lectures in English can improve students' language skills and, more importantly, help to attract foreign students to the university. Lin pointed out that the presence of an increasing number of foreign students on campus helps expedite campus internationalization, especially in the areas of administration and teaching. Interacting with foreign students in and outside class clearly exposes local students to

foreign mindsets.

STEP TWO: INCREASED STUDENT EXCHANGE OPPORTUNITIES

¶4. Participating in student exchange programs has been the most popular international experience for many Southern Taiwan students, especially for those who cannot afford expensive tuitions for higher education abroad. Huang Shi-ping, an NSYSU graduate participating in a student exchange program in Holland last year, pointed out that, compared with European students, her international vision was relatively limited. Huang said that before joining the exchange program, she thought the experience would help with her prospects for future employment. However, she discovered that the most value from the program came from the chance for her to experience a different culture.

¶5. Offsite teaching is another option for universities to pursue the goal of internationalization. NSYSU started the CAT (Canada, Austria and Taiwan) program, which is a pooling of educational resources from Canada's Victoria University, Austria's Johannes Kepler University at Linz and Taiwan's National Sun Yat-sen University. According to Jason Huang, postgraduate students are recruited to participate in this integrated transcontinental business administration program with a focus on "doing business in the region." The students attend classes and activities at the three participating universities to study business administration and economic issues in Asia, Europe and America. The first-year class consists of five Taiwanese, ten Australian, and two Canadian students.

¶6. In addition to offsite teaching, Southern universities use overseas internships to cultivate students' competitiveness.

TAIPEI 00002056 002 OF 004

National Yunlin University of Technology Business Administration Institute started overseas practical training programs in China and Vietnam three years ago. Ke Yi-yun, an MBA degree holder from Yuan Chih University, urged students to grab internship opportunities abroad to accumulate international experience, which can add value to a college diploma. Ke, born in 1982, obtained her MBA after one year in graduate school and then six months on an exchange program at Stanford University. She told AIT/K that the most useful courses during her stay at Stanford were language and communication skill courses, in which she had hands-on experiences participating in academic seminars and business communication, writing a resume, and conducting phone marketing and briefing.

STEP THREE: INCREASING THE INTAKE OF FOREIGN STUDENTS

¶7. According to Dr. Kuo Zhih-Wen, Associate Professor of National Sun Yat-Sen University's Department of Electrical Engineering and member of the pro-independence Southern Taiwan Society, the real push behind the resources flooding campuses to promote the "globalization standard" is to attract foreign students and professors to top level Taiwan universities. By increasing the number of classes taught in English, thus making them accessible to foreign students, Kuo claims, Taiwan hopes to move toward getting at least one of its universities into the world's list of top 100 academic institutions. Kuo sees this goal as unattainable in the near future.

¶8. National Kaohsiung University of Applied Science and Technology did open an MBA course to a group of Vietnamese students. However, Wenzao Language College Professor Samuel Hong pointed out that National Kaohsiung University of Applied Science and Technology has not benefited from this course in terms of its globalization ranking since those Vietnamese students do not actively interact with local students owing to the language barrier. Hong gave an example of a successful international exchange program conducted by National Pingtung University of Technology in Southern Taiwan, in which students are posted to developing countries in Asia and Africa to assist in agricultural programs.

¶9. In February 2006, National Kaohsiung University inaugurated its

Administration College with an emphasis on cultivating managerial-level talent with a global vision to meet the demands of newly developed industries in the region, which include the deep water harbor, the Tainan Science-based Industrial Park's Luchu Base in Kaohsiung County, the Kaohsiung Air Cargo Transport Center, the Kaohsiung Warehousing Transshipment Center, and the Kaohsiung Multi-functioned Economic and Trade Park. According to Professor Lee Po-chih, the Administration College, comprised of the Applied Economics Department, the Asia Pacific Industrial and Business Administration Department, the Financial Management Department, the Information Management, and the Institute of Economics Administration, is designed to cultivate students' global vision and ability to integrate academic training within an actual global business environment.

CONCERNS FROM POLITICIANS AND ACADEMICS ABOUT STUDENT PERFORMANCE ON THE GLOBALIZATION STANDARD

¶10. Taichung Mayor Jason Hu in his recent remarks to local college students pointed out that Taiwan students' competitiveness in the global environment has declined because of lack of international vision and experience. Hu encouraged Taiwan students to prep themselves by improving their knowledge, service, communication, health, creativity, and vision to compete with their peers in the global environment. Hu also noted that Taiwan students pay much more attention to entertainment and show business news than to political, national defense, and economic news. Hu suggested that the number of Taiwan students studying abroad has decreased in recent years, possibly contributing to lessening competitiveness in the global environment. Hu encouraged Taiwan students to cultivate an international vision, enhance English language skills, and acquire new knowledge to prep for the global business environment.

¶11. Wenzao Language College Professor Samuel Hong told AIT/K that only top college students are aware of the trend of globalization and know how to benefit from it. Hong noted that the majority of local college students do not care about their futures, and

TAIPEI 00002056 003 OF 004

certainly have no clear picture of globalization. Hong pointed out that it has become a norm for Taiwan parents to encourage children to pursue higher education as far as possible, resulting in graduates who choose to go to graduate school even though they do not actually enjoy academics. Hong also noted that going to graduate school in Taiwan is much easier than before, since there are vacancies in almost every department. Hong attributed the increase in the numbers of universities and graduate schools to Taiwan's election culture, in which politicians gain voters' support by giving promises of opening new universities in their constituencies. Hong also bemoaned that younger generations in Taiwan are spoiled by their parents, who are willing to support their children indefinitely. The younger generation hence, he believes, gradually loses its competitiveness in all aspects.

¶12. Hong said that, based on his teaching experience, postgraduate students in Southern Taiwan spend most of their time listening to lectures and translating English language textbooks into Chinese, rather than receiving training on independent thinking and academic seminars. Hong noted that without independent thinking and the ability to analyze and research, Taiwan students will never enhance their competitiveness in the global environment. Hong told AIT/K that he selects only elite students for the course he opened on globalization issues, noting those students must possess fluent English language skills and must display an understanding of and willingness to adapt to the realities of globalization.

SURVEY RESULTS ON TAIWAN STUDENTS COMPETITIVENESS AND INCOME LEVELS

¶13. According to a web survey in August 2005, 79.38 percent of Taiwan's college students polled said that China's college students are more competitive than their peers in Taiwan. In the same survey, over 90 percent of those polled gave a score of 55.4 to this year's college graduates; 68.75 percent of those polled said they'd

rather remain unemployed if they can't find an ideal job, whereas 59.85 percent of those polled said that the job market will become more competitive than ever. When asked whether they will pursue higher education, 82.89 percent of those polled said they will; among them, 64.75 percent said they will pursue masters' degrees and Ph.D. degrees overseas, while 33.18 percent said they will stay in Taiwan for higher education. When asked about the reason for pursuing higher education, 87.94 percent of respondents believe that higher education gives them opportunities for faster promotions, followed by knowledge (60.6 percent), and personal fulfillment (59.1 percent). When asked if a college diploma does not guarantee employment, how they will find jobs, 79.3 percent of those polled said they will accumulate different working experiences, whereas 77.89 percent of respondents said they will learn a secondary specialty and obtain professional licenses.

¶14. According to Cheers Magazine on May 2, 2006, Taiwan college graduates' starting salary has increased by 1.33 percent since last year. However, the actual increase becomes negative when factoring in the inflation rate, which is 2.3 percent this year. According to the survey, the number of Taiwan's office workers who possess a bachelor's degree and make a monthly salary of less than NT\$25,000 has increased by 100,000 over the past five years. The magazine pointed out that Taiwan society is creating a low-income youth group, heavily reliant on parents to maintain its living standard, which is expanding by 1 percent each year, as the number of low-income youth has increased from 53,000 to 150,000 over the past ten years. The same magazine article indicated that the average starting salary for college graduates continues to increase in Japan, South Korea and Hong Kong, although those countries have suffered from financial turmoil and the SARS outbreak.

¶15. According to the South Korea Employer Association, the starting salary for the country's four-year university graduates is NT\$62,000, which is more than double that of Taiwan. The higher education population in South Korea constitutes 5.6 percent of its total population; this is higher than Taiwan's 5.28 percent and Japan's 3.12 percent. Owing to economic prosperity, the average salary increase in South Korea is over 5 percent, which is higher than its inflation rate. In Hong Kong, the unemployment rate has dropped from 7.9 percent to 5.2 percent and the starting salary has increased by 4 percent since the SARS outbreak three years ago.

TAIPEI 00002056 004 OF 004

¶16. National Policy Foundation Researcher Hsu Ming-chu pointed out that a majority of professors surveyed by Business Week magazine in April this year indicated that the qualifications of Taiwanese college students are worse than those of a decade ago and less competitive than PRC students. Hsu criticized Taiwan's educational authorities for failing to upgrade traditional curricula and teaching methodology as well as to strengthen educational programs in the fields of lecturing in English, student exchanges and substantial academic cooperation with foreign countries to broaden the international vision of college students.

¶17. Hsu also pointed out that the number of Taiwan students studying in the U.S. hit a record low of 11,277 in 2003, while the PRC had the world's largest number of students studying in the U.S. He concluded that Taiwan has lost its lead in the cross-Strait competition to achieve internationalization. Hsu attributed the decrease in the number of Taiwan students studying in the U.S. to an increasing number of available openings in local graduate schools, which offer direct and easy connections to higher education with cheaper tuition for Taiwan students who are not willing to bear the hardship and extra financial burden of study abroad. In addition, the new defense technology military service attracted nearly 90 percent of masters' degree holders in electrical engineering and information technology to stay in Taiwan, rather than pursue higher education abroad, since Taiwan's hi-tech industries manage to offer them good job opportunities and decent salaries as well as millions of dollars of stock dividends each year. Cyber Digital Manager Chen Wen-li believes that Taiwan professionals will be replaced in the future by PRC professionals, rather than by Japanese or Koreans, in international companies.

¶18. Comment: Compared to their peers in Northern Taiwan, who are more closely connected to international cosmopolitan lifestyles, Southern Taiwan youth are likely to encounter more obstacles when trying to adapt to the shifting priorities in universities toward an emphasis on globalization. This "globalization" standard stands in sharp relief to the agenda of local Southern primary, secondary and high schools to implement a policy that promotes Taiwanese identity through classes emphasizing local language and history (see reftel).

These inconsistent educational directions have the potential to add to the perceived decline of competitiveness. Further, since the allocation of educational resources dedicated to higher education regularly favors tertiary institutions in the north, it is likely the competitiveness of college students in Southern Taiwan will fall even further behind. End Comment.

Thiele

Keegan